

Available online at www.sciencedirect.com**ScienceDirect**

Procedia Economics and Finance 30 (2015) 622 – 630

Procedia

Economics and Finance

www.elsevier.com/locate/procedia

3rd Economics & Finance Conference, Rome, Italy, April 14-17, 2015 and 4th Economics & Finance Conference, London, UK, August 25-28, 2015

Reasons for the Ineffectiveness of the Czech State Bureaucracy: Myths and Reality

František Ochraňa^a, Michal Plaček^{b*}, Milan Půček^c

^aCenter for Social and Economic Strategies, Faculty of Social Sciences, Charles University, Celetná 20, Prague 116 36, Czech Republic

^bPrivate College of Economic Studies Znojmo, Loucká 21, Znojmo 669 02, Czech Republic

^cThe College of Regional Development, Žalanského 68, Prague 163 00, Czech Republic

Abstract

When evaluating the level of bureaucracy and efficiency of the government of the Czech Republic, both are seen to lag behind more developed Western countries. Causes of this condition are seen by many as being the advanced age of officials, their lack of education and the profound influence of politicians on the performance of the bureaucracy. The analysis is based on our own research of the ministerial staff as conducted in 2013 (N = 1,351). All 14 ministries of the Czech Republic were invited to participate. No similar empirical analysis of the Czech Republic's ministerial staff had yet been undertaken. This is also one of the epistemological reasons why myths prevail among the general public about staff of ministries. The analysis shows that ministerial officials are, in fact, a predominately university-educated, and the vast majority of them are not under political pressure. The overall median age of employees in all ministries is 42 years old.

© 2015 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of IISES-International Institute for Social and Economics Sciences.

Keywords: Czech state bureaucracy; ineffectiveness; age structure; education level; political interest

1. Introduction

The evaluation of the level of bureaucracy and its impact on the level of governance deals with several international institutions, such as the World Bank, and the Hertie School of Governance. The following (presented) evaluation was prepared by the World Bank in the form of worldwide governance indicators and the Hertie School of Governance,

* Michal Plaček Tel.: +420 739 208 133;

E-mail address: placek@svse.cz

which compiles reports on governance. The reports on governance from 2014 focused on the contribution of bureaucracies or public administration to governance readiness. Such administrative systems matter as they are central to the design and provision of goods and services that real people consume. They are the backbone of any governance regime Hertie School of Governance (2014).

These indicators show that the Czech Republic lags behind other Western European countries. Evaluating the level of bureaucracy in terms of the World Bank and the Hertie School of Governance is shown in the following table and graph.

Table 1: Governance Indicators

Indicator	Czech Republic
Government effectiveness	0.88 (75.12)
Regulatory Quality	1.09 (81.82)
Rule of Law	1.00 (82.46)
Voice and Accountability	0.96 (76.78)
Control of corruption	0.19 (62.68)

Source: World Bank (2013)

Indicator values range from -2.5 to 2.5, the numbers in parentheses give the percentile evaluation.

The following figure shows an evaluation of the level of administration in different countries according to governance report of 2014, the evaluation focuses on the self-coordination index and the analytical capacity index.

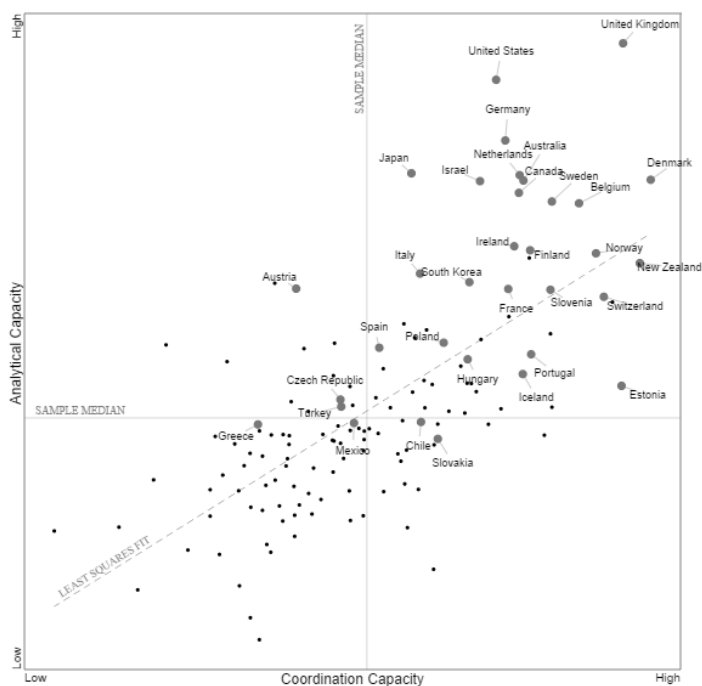


Fig. 1: Evaluation of the Czech Republic governance according to reports in 2014, regarding the characteristics of the analytical capacity index and self-coordination index

Source: Hertie School of Governance (2014)

We define the evaluation factors as follows:

Coordination capacity consists of an ability to bring dispersed constituencies together to solve shared problems. This capacity relies on boundary spanners that can moderate highly contested negotiating processes between policy specialists and generalists over dispersed networks of actors.

Analytical capacity addresses demands on forecasting and intelligence that inform policy-making under conditions of uncertainty.

The chart shows that in the evaluation of analytical capability and capacity coordination, the Czech Republic lags behind not only developed countries such as the UK and Finland, but post-communist countries such as Poland, Hungary, and Estonia as well. Generally the causes of this inefficiency are given as the high age of officials, lower educational levels and the strong influence of politicians on the work of officials. In this article we try to verify these claims based on the case of officials from ministries of the Czech Republic. To do this, we have set the following research questions:

- 1) What are the ages of the officials at the ministries?
- 2) What are the education levels of ministry officials?
- 3) Do officials feel influenced by political interests?

For the answers to these questions, we sought help from empirical research. All ministries of the Czech Republic were contacted. 1351 officials from ministries in total participated in the research. Ideological sources for the construction of the theoretical framework include studies by Dunn (2004), Dobuzinskis et al. (2007), Howlett (2009), Colebatch et al. (2010), Rasmussen (1999), Evans et al. (2011) that deal with policy analysis, policy capacity, working for policy, and policy bureaucracy, as well as a paper by Christensen, Fimreite and Lægreid (2007) investigating the reform of employment and welfare administration. To some extent, empirical investigations do exist which focus on local administration (see e.g. Dragos and Neamtu, 2013), public managers Howlett (2011) or on the broader issues related to the reform of public administration (see e.g. Randma-Liiv, Nakrošis and Gyorgy, 2011; Nemec et al., 2008, Dunleavy and Hood, 1994, Pavlik et al., 2013).

2. Methods

The presented article processes the results of our own empirical research undertaken on the ministries of the Czech Republic over the period April–July 2013. The research was preceded by interviews with a group of about twenty employees from within several ministries. The interviews were conducted in the autumn of 2012. The research was conducted within the research project from the Grant Agency of the Czech Republic P 404/12/0725 “Analysts of Policy in the Central Government Administration of the Czech Republic: Practices, Professional Values and Identity” in collaboration with the STEM / MARK agency.

The basis for selection of respondents was formed by a list of potential respondents which, according to research team's specifications, had been provided by the individual ministries. The respondents were selected randomly. All (or almost all) entities included in the database of individual ministries were addressed through a series of random selections. The random selection thus virtually became an exhaustive selection. The questioning took place using the following forms: for eight ministries via personal interviews (F2F, face-to-face) using a questionnaire with precisely specified questions which were either paper-based (the CAPI) or assisted by a laptop (the PAPI). For two ministries, interviews were conducted by filling in an online questionnaire (the CAWI) without participation of the interviewer as the so-called “emergency” form for cases when it was not possible to utilize the F2F form. In one case a combination of both methods (F2F and CAWI) was adopted. In total, 1,351 respondents were interviewed of which approximately one tenth responded. Most questionnaires were filled out using the PAPI method (992 questionnaires), 124 questionnaires were answered using the CAPI form and 235 questionnaires were completed using the CAWI method. The preparation of the research, along with the testing, took place in the autumn of 2012. The research was conducted over the period of April – June 2013. This study is one of the partial works from the larger projects. This corresponds to the selective utilization of the methods and indicators used.

In the following tables and graphs the individual ministries are identified by the following codes (Note: It is recommended to work directly with the names of the ministries) A: Ministry of Transport, B: Ministry of Justice, C: Ministry of Finance, D: Ministry of Culture, E: Ministry of Education, F: Ministry of Foreign Affairs, G: Ministry of Defense, H: Ministry of Work and Social Affairs, I: Ministry of Health, J: Ministry of Industry and Trade, K: Ministry of the Environment.

3. Results

Research question no. 1: What are the ages of the officials at the ministries?

The analysis of the age structure of the examined group of employees from all ministries thus refutes the widespread public assumption of “overage” workers at the ministries. Individual ministries do, however, differ in their age structure, as shown in Fig. 2.

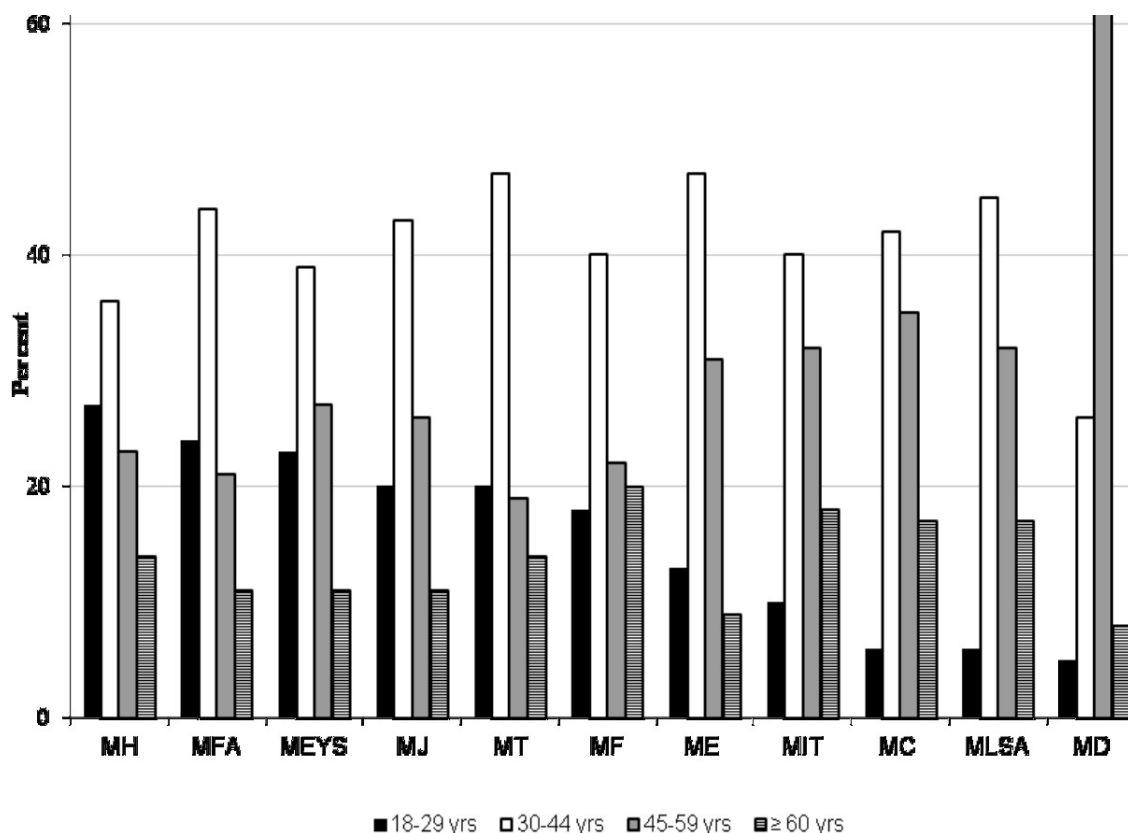


Fig. 2: Surveyed employees age structure

Data Source: Own Research

We find out that half of all the surveyed employees 42 years old or younger. Of the surveyed ministries, the Ministry of Labour and Social Affairs, the Ministry of Finance and the Ministry of Justice (which have the lowest median age,) warrant the most attention (apart from the aforementioned Ministry of Defense with the highest median age of 50 years). This is likely due to several factors. First, all of these ministries have a strong (in the interval 40–45%)

representation of employees within the age group 30–44 years old that ranks them among the “younger ministries”. Apart from that, it may be assumed that the “fact of youth” of the aforementioned ministries also influences the reality that employees of these ministries, upon completion of the relevant schooling, become students of law, finance and public policy. These students, who upon graduation apply for a job at the relevant ministries, had previously worked for these ministries (i.e. during the period of their full-time university study) on a part-time basis. Following their graduation from university, they proceed to having a full-time employment post at the given ministries.

Research question no. 2: What are the education levels of ministry officials?

The maximum attained level of education for the examined sample of ministerial staff was monitored under the following categories: a) apprenticeship/high school without A-levels (diploma), b) secondary education with A-levels (diploma), c) higher professional education, d) university undergraduate (bachelor degree), e) university graduate (master degree) and f) university doctoral education. The results of the empirical research are shown in Fig. 3.

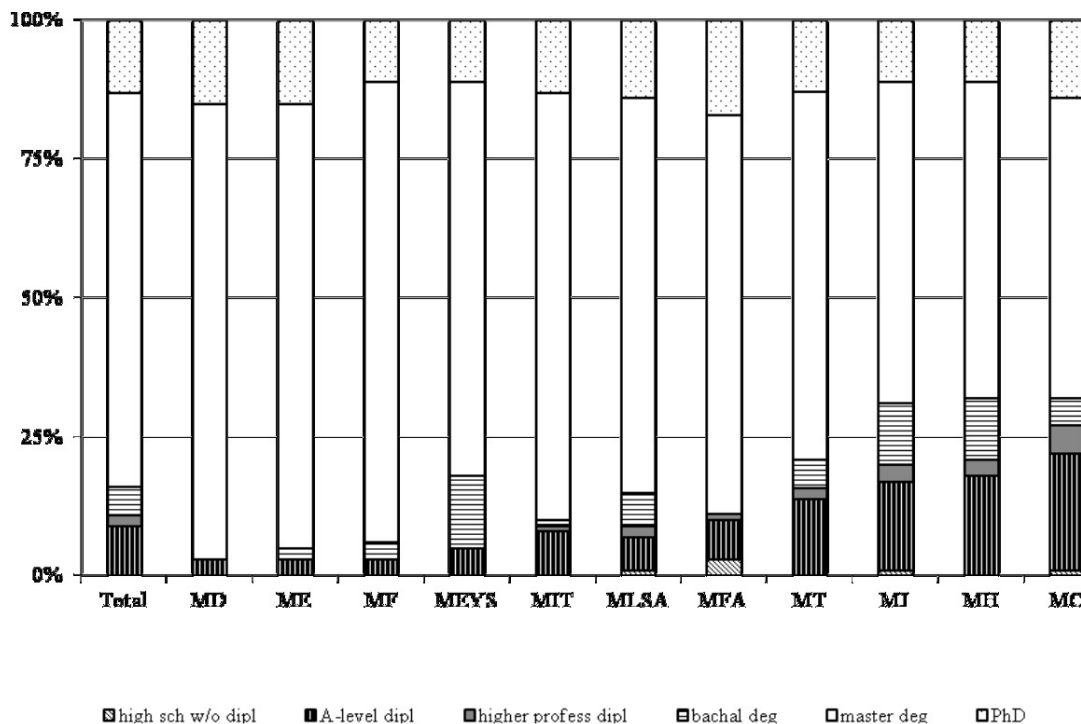


Fig.3: Educational structure per ministries

Data source: own research

The chart shows the alignment of the ministries according to the largest share of employees with university-degree education up to the ministry with the lowest proportion of university-educated employees. From the perspective of education, all the ministries have, on average, 89% of employees who are university-educated, which is a relatively high proportion. The highest proportion of university-educated employees (including completed doctoral studies) is held by the Ministry of Defense, where, according to the research, 96% of its employees having a university degree. A similarly high proportion of university graduates, as determined in the findings (95%), was had by the Ministry of the Environment. On the other hand, there is a group of ministries (such as the Ministry of Justice, Ministry of Transport, Ministry of Health and Ministry of Culture) which possesses a proportion of university-educated employees with 75 to 80% overall among employees.

Research question no. 3: Do officials feel influenced by political interests?

The results of the officials' answers to this question are shown in the following table.

Table 2: To what extent did the respondents agree with the statement: My work is often influenced by political interests

Position (Share in %)	Ministry											
	E	K	C	I	F	H	Total	J	A	B	G	D
Definitely Yes	21	18	15	14	13	13	12	12	11	9	8	4
Perhaps Yes	21	33	17	22	26	24	23	19	27	20	21	26
Neither Yes nor No	16	18	19	16	21	15	19	22	15	23	20	20
Perhaps Not	26	17	26	24	26	25	23	24	25	15	25	23
Definitely Not	17	13	22	25	13	24	23	22	23	33	26	28

Data Source: Own Research

The results show that the greater proportion of officials do not feel influenced in their work by political interests. The influence of political interests at work for employees of the ministries, was reported by only about a third of those surveyed. When looking at individual ministries, we can find a few differences, however. We find that within some ministries (Ministry of Environment, Ministry of Foreign Affairs), employees feel significant political influence on their work. On the other hand, at others, the perceived impact of political interests at work is low (Ministry of Justice, Ministry of Defense). We shall attempt to uncover the causes of these varied conditions in the discussion section.

4. Discussion

If we look at the issue through the lens of process management, we can say that the problems of low efficiency of the Czech bureaucracy are not in the system's input. Therefore, the widespread belief of the Czech general public that officials of ministries of the Czech Republic are elderly and uneducated bureaucrats who are under the strong influence of political interests, is not valid. It can therefore be concluded that the cause of the problem can be seen more in the internal organization of the government, in the manner of management bureaucracy and probably in the certain "continuity" way the ministerial officials worked from previous years and also in the (probably not always effective) "spillover" of government officials to other organizational structures of government, and possibly other (as yet unidentified) factors.

One of the causes of inefficiency within the Czech bureaucracy may be the influence of a "historical factor". After the anticommunist coup in November 1989, there were personnel changes in ministries. The top officials of ministries (ministers, deputies) as well as those workers who had cooperated with the secret police had to resign/retire. Many other employees (including directors of departments), however, remained in their positions as employees of the ministries. In terms of the age composition from the analysis, these are most likely workers who are more than 45 years old. Some of those workers formally engaged (performed) in the same (or similar) acts as during the Communist era (budgeting, strategy, etc.). It can be assumed that some employees who remained to work at the ministry after the anticommunist coup from the previous era were accustomed to the previous ineffective (centralized, command) way of working, which was merely "kept alive" in the newly changed environment. If so, then even this (likely with time) weakening factor may be one of the persistent causes of the inefficiency of ministry officials in the country. For verification of this hypothesis, we plan further empirical research.

Another factor that can cause inefficiency in the employees of the ministries is an "organizational factor". From an organizational standpoint, we changed the structure of the ministries, but this did not lead to the expected savings in personnel numbers. The number of state officials (calculations based on data from the Czech Statistical Office for the period 2004-2013) show that the number of civil servants in the past ten years has stabilized at around 66,000, of which the ministries employ approximately 20,000, of whom approximately 15,000 are state employees. Also, the constantly repeated myth in the Czech media that the number of employees in state administration is growing distorts

these results. But the fact is that the negative impact on the activities of ministerial officials may cause the internal structure of ministries to change constantly. These changes have not yet led to increased efficiency in the functioning of the state administration, as has been stated by the government itself.

When analyzing the results of empirical research an "additional problem" has emerged, the examination of which was not originally the aim of our research. The problem we call the "spillover effect of state employees regarding other organizational structures". It is a phenomenon that is a result of permanent organizational changes. When examining the "spillover effect of state employees regarding other organizational structures", we recorded two kinds of spillover flows of civil servants. The first stream is directed "up", to the structures themselves of a central authority (ministry). An example of this type of flow are the organizational changes (and a visual increase in number) in the Ministry of Interior carried out in 2012 as well as at the Ministry of Foreign Affairs. During this year, the Police Headquarters and the Fire Service were incorporated into the structure of Ministry of the Interior, while the Ministry of Foreign Affairs added the diplomatic service to its ranks.

The second stream is directed "down" away from the ministries and central authorities to subordinate components of the state administration or to the components which it has delegated the performance of the state administration. The most prominent case were the changes in 2003 when there was the need to reform the state administration and parts of the competencies of civil servants were transferred to the newly established regions. Also, this change was publicized as a rise in the number of civil servants. In fact, as already mentioned, the number of officials in the state administration was stagnant for the past decade. For the correctness of this discussion, it should be noted the term "civil servant" (until the coming into force of the Civil Service Law (effective from 07.01 2015)) was used a very ambiguously and obscurely.

Other potential factors affecting the performance of employees in the ministries, may be the influence of political interests on the work of ministry employees. The influence of political interests can demotivate employees. The research results show that a third of those surveyed cited a strong influence by the political interests, whereas just under half disagreed with this sentiment. It appears, therefore, that a relatively large proportion of ministry employees do not feel influenced by political interests in their work, however, a considerable part of them do. The research noted some apparent deviations from the average in the case of some ministries.

The staff of the Ministry of the Environment felt the influence of political interests quite strongly, as was shown as having a strong influence by half of the respondents. This finding may be explained by the fact that this ministry is often headed by pro-ecology minded politicians, e.g. Greens. Politicians within this ministry usually quite dramatically ("aggressively") enforce environmental requirements regardless of other economic impacts on society. To this, we can add that the Green political party has a relatively small electoral base. It can therefore be assumed that the low proportion of voting preferences is reflected in the electoral base of the employees from the Ministry of the Environment. Because the politicians of the Green Party (resp. Ministers) very aggressively enforce its requirements, this activity can be seen by employees of the Ministry for the Environment (non-voters of the Green Party) as political pressure. The different case is presented by the Ministry of Foreign Affairs. Also in this case, their employees feel a relatively high degree of influence on their work by political interests. This can be explained by two groups of causes. Above all is the very fact that this ministry is the central state administration in the Czech Republic for foreign policy, which is reflected in its solving problems related to politics. A part of employees likely feel as if there was an influence of political interests on the activities of employees. The second reason could be the influence of "indicative volatility of Czech foreign policy." Czech foreign policy is consistently oriented to the USA, but the intensity of the focus is different with right-wing governments that are strongly and unreservedly pro-American, while some leftist governments have expressed different positions (currently, e.g. to solve the Ukrainian crisis). It is possible that this experience of the employees in the Ministry of Foreign Affairs (in the background of their voters' preferences) is seen as "political influence".

On the other hand, the staff of the Ministry of Justice and Ministry of Defense feel the least affected by any political influences. In the case of the Ministry of Justice this fact can be explained by the fact that they are central state body governing institutions which are independent of politics, such as the courts and public prosecutors. The perceived low influence of political interests found in the case of employees from the Ministry of Defense can be explained by the integration of the Czech Republic into NATO. All political parties occupying the post of Minister of Defense take this

fact as an immutable parameter regarding defense policy, and therefore the Ministry of Defense employees do not feel strong political influence regarding its activities.

Another factor that has adversely affected the positions of government employees is the fact that the Czech Republic did not have 01.07 2015 a civil service law in effect. It lacked a tool that would motivate ministry employees to improve performance, be independent, find creative solutions, and effectively use management techniques. This assumption is derived from a comparison made with Great Britain, which is a model of an effectively functioning government for the Czech Republic.

If we compare the situation in the Czech Republic with the results of similar surveys in the United Kingdom, see National Audit Office (2014), we can identify several distinct differences. Officials are engaged in the creative processes, have career plans with a greater possibility of advancement. Their careers depend on performance and efficiency. Such a system in the Czech Republic did not exist until the Civil Service Act came into force. Great Britain also implements modern human resources management practices in the spirit of New Public Management into the system of managing bureaucracy. The Czech Republic failed to implement this, however. Other studies, e.g. Jacko (2014), Staroňová (2015), show that there are significant differences between the two countries in the performance related pay systems.

One of the major reasons for the differences is the very concept of bureaucracy, which in the Czech Republic is based on the so-called *Rechtsstaat* bureaucracy and traditions of the Austro-Hungarian Empire. A loyal bureaucrat should strictly perform all official acts which have been prescribed via regulations to said bureaucrat. Moreover, after failed attempts to reform the public administration in the spirit of the ideology of NPM, a return to the synthesis of Neoweberian and Good Governance models occurred in the Czech Republic (the same as in many other Central European countries.) This return, however, was implemented in the Czech Republic without the emphasis on performance and innovation that are characteristic of this model.

Will the law on civil service change this? It will be valid from 07/01 2015, but it still lacks regulations to its implementation. It is not as yet known, for example, which specific individual employees of a ministry will be incorporated into the category of public servants and it is not known how they will proceed to their attestation. Only time will show if the introduction of the Civil Service Law in the Czech Republic as well as the introduction of career advancement based on state officials' performance will change the status quo.

5. Conclusion

This article analyzes the causes of the low efficiency of the bureaucratic apparatus in the Czech Republic. In the beginning, we established the research questions for which we sought answers based on empirical research from officials within the individual ministries of the Czech Republic. The survey results refute the common myths about the possible causes of inefficiency, e.g. that ministry officials are elderly and uneducated. Nor was the theory regarding the strong political influence upon ministerial workers confirmed.

We can look for the causes of inefficiency in the internal management system and the bureaucratic apparatus as well as the so-called starting condition, which only sees bureaucracy as an executor of law and does not sufficiently stress the emphasis on efficiency, innovation and implementation of the so-called Public Interest.

References

- Christensen, T., Fimreite, A.L., Lægreid, P., 2006. Reform of the employment and welfare administration – the challenges of co-coordinating diverse public organizations. *International Review of Administrative Sciences*, 73 (3), 389-408
- Colebatch, H. K., Hoppe, R., Noordegraaf, M. 2010. *Working for Policy*. Amsterdam University Press
- Dobuzinskis, L., Laycock, D., Howlett, M., 2007. *Policy analysis in Canada: The state of the art*. Toronto: University of Toronto Press
- Dragos, D. C., Neamtu, B., 2013. Effectiveness of Administrative Appeals – Empirical Evidence from Romanian Local Administration. *Lex localis – Journal of Local Self Government*, Vol. 11, No. 1, pp. 71–85.
- Dunn, W. N., 2004. *Public Policy Analysis: An Introduction*. (3rd edition). Upper Saddle River, NJ: Prentice Hall
- Dunleavy, P., Hood, Ch., 1994. From old public administration to new public management. *Public money & Management*, Vol. 14, No 3, pp.9-16

- Evans, B., Lum, J., Shields, J., 2011. The State of Policy Capacity in Canada: Assessments from Senior Public Servants. Paper delivered at the 83rd annual meeting of the Canadian Political Science Association, Wilfrid Laurier University, Waterloo, pp.16–18.
- Hertie School of Governance, 2014. The Governance Report 2014. [Online] at <http://www.governancereport.org/home/the-2014-report/>, accessed July 1st, 2015
- Howlett, M., 2009. Policy analytical capacity and evidence-based policy-making: lessons from Canada. *Canadian Public Administration*, 52:2, pp. 153–173.
- Howlett, M., 2011. Public Managers as the Missing Variable in Policy Studies: An Empirical Investigation Using Canadian Data. *Review of Policy Research*. 28(3), pp. 247–263.
- Jacko, T., 2014. Performance related pays in Slovak and English local government. In Dagmar Špalková, Lenka Matějová Proceedings of the International Conference Current Trends in Public Sector Research, Šlapanice, p147-154
- National Audit Office, 2013. Building capability in Senior Civil Service to meet today challenges. Report by the Comptroller and Auditor general. London.
- Nemec, J, Nakrošis, V., Hajnal, G., Tonninson, K. (eds.). 2008. “*Public Management Reforms in Central and Eastern Europe*.” Bratislava: NISPAcee
- Pavlik, M. Nemec, J., Nemec, M., 2013. Transparency of municipal grants for sports: Czech republic and Slovakia ed. Garry Lee. In Lecture notes in management science : 2013 International Conference on Economic, Business Management and Education Innovation(EBMEI 2013), May 22-23, Beijing, China
- Rasmussen, K., 1999. Policy capacity in Saskatchewan: Strengthening the equilibrium. *Canadian Public Administration*, 42:3, pp. 331–348
- Randma-Liiv, T., Nakrošis, V., Gyorgy, H., 2011. Public sector organization in Central and Eastern Europe: From agencification to de-agencification. *Transylvanian Review of Administrative Sciences*, 35, pp. 160–165.
- Staroňová, K., 2015. Civil service in Slovakia. In Dagmar Špalková, Lenka Matějová Proceedings of the International Conference Current Trends in Public Sector Research, Šlapanice,. P. 68-78
- World Bank, 2015. Worldwide Governance Indicators, [Online] at <http://info.worldbank.org/governance/wgi/index.aspx#home/>, accessed July 1st, 2015